

AWR**Internal Revenue Service**

Alcohol and Tobacco Tax Division

Washington, D.C. 20224

May 27, 1968

**Industry
Circular**

Industry Circular No. 68-17

NOTICE OF REVISION OF FORM OF CERTIFICATE OF LABEL APPROVAL FOR ALL ALCOHOLIC BEVERAGES AND OF NEED FOR RESUBMITTING ALL LABELS RELATING TO DISTILLED SPIRITS FOR REAPPROVAL NOTWITHSTANDING ANY APPROVALS GRANTED PRIOR TO JULY 1, 1968.

Proprietors of Distilled Spirits Plants, Bonded Wine Cellars, Taxpaid Wine Bottling Houses, Brewers, Importers of Distilled Spirits, Wines and Malt Beverages, Wholesalers Engaged in Relabeling Distilled Spirits and Wines, and to others concerned:

The purpose of this Industry Circular is to advise you of new administrative procedures found necessary to be established by the Alcohol and Tobacco Tax Division in connection with the issuance of certificates of label approval under the provisions of the Federal Alcohol Administration Act [27 U.S.C. 205 (e)].

In implementing these new procedures, this Division finds it necessary to request all bottlers of distilled spirits, importers of bottled distilled spirits, and those permittees who relabel bottled distilled spirits, to resubmit all of their labels currently in use for reapproval, notwithstanding the fact that such labels have been approved in the past. Later on, bottlers of wine and importers of bottled wine will be asked to do the same. Eventually, it is planned to ask brewers and importers of bottled beer to similarly cooperate.

Background

The reasons for these new procedures are as follows:

1. The Alcohol and Tobacco Tax Division is establishing a system of microfilming all of its label approval records to conserve valuable office space. This is something that must be faced by the Division. No other alternatives are available to it. Each year, some 50,000 applications are processed. Considering that this activity is of more than 30 years' duration, it will be seen that the accumulation of paper is most impressive and that this accumulation must be reduced. Incidentally, a great deal of this volume relates to labels no longer in use. There is little doubt that industry is also confronted with considerable "deadwood" in its files of label approvals. Many labels have been redesigned while others have been discontinued, thus rendering obsolete all of the certificates relating to the superseded and discontinued labels. Good management dictates that some housecleaning is in order at both Government and industry levels to update their respective files.
2. In the past year, the alcoholic beverage industries have jointly agreed on the need for a universal numeric code for, among other things, the classification of alcoholic beverages and the identity of vendors, to facilitate the gathering of data for the development of statistical information for industry purposes. The Alcohol and Tobacco Tax Division has been requested by these industries to assist in this project to the extent of assigning product identification and vendor code numbers to all certificates issued by it so as to assure uniformity in the identification and classification of products by the industry members (who are being or will be requested to submit statistical data for this industry project). This the Division has agreed to do.

New Form of Application for Label Approval

A new form has been devised which is so arranged that all essential information--as well as the labels--will be on one side of the form. This was found necessary for purposes of microfilming. This new form will include space for the numeric codes described above, which will be assigned by the Division for the

convenience of industry members who will be called upon to participate in this industry project. Obviously, when the new form is placed in use, the old forms must be discontinued, and all supplies of the old forms (those now in use) should be destroyed.

Effective Date of New Procedure

All new applications for approval of labels for distilled spirits, wines, and malt beverages, will be made on the new form on and after July 1, 1968. A supply of the revised form will be available in A&T field offices about June 15. The new form will be identified by a 1968 revision date and will be readily recognized by its new design, notwithstanding the fact it will be identified by the same number (No. 1649).

Special Provisions Found Necessary with Respect to Distilled Spirits

As to labels covered by certificates of label approval for distilled spirits issued prior to July 1, 1968, all bottlers of distilled spirits and importers of bottled distilled spirits (as well as those who relabel bottled distilled spirits) will be expected (within a period of 12 months thereafter) to have all of their labels currently in use reapproved by resubmitting all of these labels on the new form. Certificates of label approval which have been limited to specific operative dates should not be included. It is important that this be done as early as possible during this period of transition so that the Alcohol and Tobacco Tax Division will not be faced with an insurmountable workload at the end of the period of transition. All of the applications that are resubmitted for the reapproval of previously approved labels should be identified (by covering letter) as resubmissions of previously approved labels. Industry cooperation is earnestly solicited in this regard.

Disposition of Previously Issued Certificates of Label Approval for Distilled Spirits

Certificates of label approval for distilled spirits products, issued prior to July 1, 1968, will serve no useful purpose after July 1, 1969. They may be retained, for historical purposes, by the holders thereof, or, at the end of this period of transition, they may be destroyed. After July 1, 1969, the files of the Division, as well as those in the Federal Records Center, will be stripped of all the superseded certificates of label approval and related applications (covering distilled spirits products) in accordance with prescribed records retention schedules, and destroyed.

Certificates of Exemption from Label Approval

At this time, holders of certificates of exemption from label approval covering labels for distilled spirits and wines will not be requested to refile. At such time as the forms of certificate of exemption are redesigned for micro-filming, this will be considered.

Outstanding Certificates of Label Approval for Wines and Malt Beverages will not be Disturbed

As indicated above, while all new applications for label approval submitted on and after July 1, 1968, will be submitted on the 1968 revision of Form 1649 (all prior revisions of the blank forms on hand should be destroyed), holders of these certificates will not be asked to refile applications with respect to previously approved labels at this time. They will be advised (in a later circular) when they should do so.

Inquiries

Inquiries with respect to the new procedure outlined in this circular should be addressed to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington, D. C., 20224, Attention: CP:AT:B.



Harold A. Serr
Director, Alcohol and Tobacco Tax Division